

# NATIONAL CANNERS ASSOCIATION



## Information Letter



For the information of N. C. A. members exclusively  
Publication or reproduction not permitted

No. 337

Washington, D. C.

December 21, 1929

### CONTENTS

|  | Page |  | Page |
|--|------|--|------|
| Farm Board to hold conference with fruit and vegetable cooperatives .. | 1803 | Business conditions .....  | 1811 |
| Proposed amendment to agricultural appropriation act disapproved ..... | 1806 | Wholesale and retail prices in November .....                                | 1811 |
| Economist finds food transportation costs increasing .....             | 1807 | Japanese crab and salmon pack .....  | 1811 |
| Winter vegetable situation in Mexico and Cuba .....                    | 1808 | New Canadian standards for jam, jelly, marmalade, mince and mince meat ..... | 1812 |
| Truck crop markets .....   | 1809 | Employment in November .....   | 1812 |
| Canned mushrooms may now include liquid in net weight .....            | 1810 | Fruit in cold storage .....  | 1812 |

### Farm Board to Hold Conference with Fruit and Vegetable Cooperatives

The Federal Farm Board has announced that representatives of various cooperative organizations handling fruits and vegetables have been invited to Washington January 14, 1930, for a conference with the Board to discuss the question of "how to proceed in making effective to the fruit and vegetable industries of the United States the benefit of the Agricultural Marketing Act." The letter calling the meeting, which was signed by C. C. Teague and Charles S. Wilson, Members, Federal Farm Board, representing fruits and vegetables, emphasized that it is the opinion of the Board this "can only be done by creating national cooperative sales organizations."

"The question, therefore," the letter continued "is how can the fruit and vegetable industries be most effectively organized? There are three groups—apples, potatoes and deciduous fruit other than apples—that it would seem are large enough in volume to warrant national organizations.

"We have been holding conferences from time to time with representatives of those groups and there seems to be sufficient interest in this subject to warrant the calling of a conference for the purpose of getting the combined judgment of these groups on the following:

"1. Whether or not it is advisable to attempt an organization of two or more of these groups into a national sales organization.

"2. Whether it is advisable to organize these groups separately, by commodities, into national cooperative sales organizations.

"3. Whether or not some plan for production loans may be worked out that will enable cooperatives to secure a larger percentage of commodities which are now controlled through production financing.

"4. To discuss the problem of making more effective by-products avenues for removing surpluses from the fresh fruit or vegetable market."

Those attending the conference January 14 were urged to be prepared to remain in Washington "as much longer as is necessary to help work out some plan of action. This is of great importance to the fruit and vegetable industries of the United States and you are urged and earnestly requested to attend."

#### **Proposed Amendment to Agricultural Appropriation Act Disapproved**

An amendment to the appropriation bill for the Department of Agriculture as reported by the House, which would have brought fruits and vegetables "whether raw or processed" under the farm products inspection service, was struck out by the House on Thursday on motion of Representative Dickinson, Chairman of the Agricultural Appropriation Subcommittee in charge of the bill.

Mr. Dickinson stated that the amendment was put in on the basis of incomplete information, and that the Committee did not know there was any objection from an administration standpoint. He placed in the Record a letter from the Director of Regulatory Work of the Department of Agriculture in which it was stated that the new language would materially broaden the service beyond that field to which it is now confined. This letter further stated:

"The Department is convinced that the work which is carried on under this item in the bill has operated to the definite advantage of the farmer in marketing raw material. The proposal to include such commodities after passing through that stage of manufacturing or processing employed to make them finished articles of food ready for distribution and consumption presents complications due to the fact that they are, when shipped into interstate commerce, subject to the provisions of the Food and Drugs Act. The tendency, undoubtedly, would exist for manufacturers and canners to declare on the packages in which such processed fruit and vegetables are carried statements announcing the fact that the commodity has been inspected by the Department and certified to be of a particular grade. To prevent this service from operating through deception to the

disadvantage of the public and the producer likewise it is essential that some power exist to regulate the traffic so as to avoid erroneous and untruthful statements on the label concerning the grade, quality, or condition of the product. At present this may be done through the Food and Drugs Act only

"The inspectional and certification work authorized by the appropriation item is of a service nature distinctly; the work involved in the enforcement of the Food and Drugs Act is regulatory. Already the department has experienced some difficulty in the satisfactory adjustment of these two types of work. Based upon the experiences of the past we have undertaken within the Department to prepare a bill on market inspection of farm products. A preliminary draft has already been drawn and is now being discussed before submitting it to Congress."

#### **Economist Finds Food Transportation Costs Increasing**

That an eight million dollar increase has occurred during the past ten years in the cost of distributing American canners' annual pack of foods to their customers is the most striking conclusion indicated by the evidence presented in a pamphlet entitled "Some Trends in the Marketing of Canned Foods," written by Dr. Leverett S. Lyon and published by the Institute of Economics of the Brookings Institution.

The chief cause to which the increased costs are attributed is the decline in the size of units in which goods are ordered and shipped. The investigation shows that in many phases of marketing the costs advance as the size of orders declines. It has made clear, however, that this is not true regarding every function of selling. Freight charges are the costs which advance most seriously as the size of shipments declines, and the important change occurs when the shipment drops below the carload lot.

In addition to the study of marketing costs, the pamphlet deals with hand-to-mouth buying trends in the canned food trade; future ordering; trends in the sizes of orders for various types of canned foods; changes in the seasonality of shipments; and the carryover of canned foods from year to year.

A belief that hand-to-mouth buying is increasing is shown to be almost universal among food canners. Evidence is presented that shows that while the industry in general has suffered a falling off in advance orders, many companies have been able to maintain their position and that the industry as a whole is more successful in obtaining orders than are most others. A most striking fact with reference to size of shipments is that while the smaller orders have tended to increase in relative frequency, quite as striking is the increase in the proportion of

very large orders. The point is made that the largest type of orders is almost wholly a post-war phenomenon. Shipments have become less seasonal, the distribution of the pack spread more evenly during the year than was true for the latter part of the succeeding decade. There are certain pre-war periods, however, for which similar trends are shown. This increased spread of shipments through the year has caused the food canning industry to carry a heavier stock burden than was earlier the case. This has involved the canner in new problems of storage, insurance, and finance.

As mentioned in the Information Letter for December 7, this pamphlet duplicates in some cases the material that appears in the book "Hand-to-Mouth Buying," but the material is rearranged and considerable information is presented as to the experiences of individual canneries.

Copies of the pamphlet may be obtained from the Brookings Institution, Division of Publications, 26 Jackson Place, N. W., Washington, D. C., at 50 cents each.

#### Winter Vegetable Situation in Mexico and Cuba

A considerable decline has taken place in the winter vegetable acreage of the Mexican West Coast this season, but growers in Cuba seem to have planted approximately the same area as last year, according to reports received by the Bureau of Agricultural Economics from American consuls at Nogales, Mexico and Habana, Cuba. In spite of the reduced acreage in Mexico this year, the carlot movement is expected to be about the same as last year, with some decline in tomato shipments balanced by an increase in green peas. The movement of vegetables last season was greatly curtailed by the Revolution, which occurred at the height of the season. The movement from Cuba is expected to be at least as large as that of last season.

The following table shows the acreage and carlot movement of Mexican West Coast winter vegetables in 1928-1929, with estimates for 1929-1930:

| Commodity                       | 1928 - 1929   |                       | 1929 - 1930   |                       |
|---------------------------------|---------------|-----------------------|---------------|-----------------------|
|                                 | Area<br>Acres | Shipments<br>Carloads | Area<br>Acres | Shipments<br>Carloads |
| Tomatoes .....                  | 47,776        | 3,808                 | 27,247        | 3,402                 |
| Honeydews and cantaloupes ..    | a             | a                     | 885           | 145                   |
| Peas .....                      | 12,485        | 1,351                 | 19,685        | 1,909                 |
| Peppers .....                   | 1,755         | 279                   | 649           | 170                   |
| Cucumbers .....                 | a             | a                     | 80            | 26                    |
| String beans .....              | a             | a                     | 270           | 27                    |
| Lima and horse beans .....      | a             | a                     | 250           | 25                    |
| Egg plant .....                 | a             | a                     | 18            | 9                     |
| Mixed .....                     | 1,842         | 279                   | 825           | 101                   |
| Watermelons .....               | a             | 13                    | a             | 12                    |
| Total .....                     | 68,908        | 5,811                 | 49,608        | 5,896                 |
| a Included in mixed vegetables. |               |                       |               |                       |

### Truck Crop Markets

Citrus fruit is always a feature of the holiday market. Grapefruit shipments increased during the week ended December 14 to 800 cars, with Florida originating 475 and Texas more than 300, according to the U. S. Market News Service. The season total to date from Texas is already greater than all of last season's output from that state. Porto Rico was also shipping considerable grapefruit to the United States. Orange shipments were maintained at the rate of 2,500 cars weekly, with a large increase in Florida and a decrease in California.

Texas, with 270 cars of spinach, shipped three times as much as during the same week last winter and exceeded the Virginia record last week. About 20 carloads of strawberries moved from Florida; the season is much earlier than in 1928.

Green peas were coming largely from the Imperial Valley of California and from Mexico. California's output of cauliflower increased to 310 cars, that state being almost the only source of supply.

Imports of tomatoes from Cuba were rapidly gaining and totaled 135 carloads during the week. Mexico sent 21 cars; very light shipments were reported from Florida, Texas and California.

Virginia shipped less than 30 cars of sweet potatoes, but Delaware, Maryland and Tennessee were quite active. The week's total was 545 cars.

Peak apple holdings of the season in cold storage were reported on December 1 as 2,150,000 barrels, 15,041,000 boxes and 6,670,000 bushel baskets. Combined holdings under refrigeration were equivalent to 9,387,000 barrels, which was 10 per cent less than the stocks of a year ago and slightly above the average December supply. Holdings in barrels were about one-fourth lighter than on December 1, 1928, and 38 per cent below the five-year average figure. Boxed apples in cold storage were about 14 per cent less abundant than last season but were 9 per cent heavier than average stocks. As a result of increased storage facilities in the West, about two-thirds of the boxes were still held in Pacific Coast states. Basket stocks are nearly one-third greater than in 1928 and are 11 per cent above the five-year average. Total movement was about 900 cars from the West and heavier output of 760 cars from eastern sections. Increases were registered in New York and the Virginias. About 245 cars came from New York state, with combined movement of 375 cars from Virginia and West Virginia. In the western territory, Washington started 635 cars to market and Idaho 130.

New stock cabbage was coming mainly from Texas, with Florida also making light shipments. South Carolina's movement increased. New York decreased to 480 and Wisconsin to 205 cars.

## CARLOT SHIPMENTS

| Commodity            | Dec.<br>8-14<br>1929 | Dec.<br>1-7<br>1929 | Dec.<br>9-15<br>1928 | Total this<br>season to<br>Dec. 14 | Total last<br>season to<br>Dec. 13 | Total<br>last<br>season |
|----------------------|----------------------|---------------------|----------------------|------------------------------------|------------------------------------|-------------------------|
| Apples, total .....  | 1,667                | 1,661               | 2,217                | 73,393                             | 99,393                             | 127,330                 |
| Eastern states ..... | 762                  | 619                 | 898                  | 38,193                             | 50,183                             | 62,708                  |
| Western states ..... | 905                  | 1,042               | 1,319                | 35,200                             | 49,110                             | 64,622                  |
| Cauliflower .....    | 337                  | 251                 | 346                  | 3,683                              | 3,287                              | 9,889                   |
| Cabbage:             |                      |                     |                      |                                    |                                    |                         |
| 1930 season .....    | 32                   | 14                  | 24                   | 34                                 | 46                                 | 38,647                  |
| 1929 season .....    | 823                  | 802                 | 613                  | 38,647                             | 34,126                             | 38,833                  |
| Carrots:             |                      |                     |                      |                                    |                                    |                         |
| 1930 season .....    | 174                  | 227                 | 92                   | 1,419                              | 1,168                              | 10,834                  |
| 1929 season .....    | 83                   | 91                  | 33                   | 10,834                             | 6,723                              | 7,433                   |
| Mixed vegetables:    |                      |                     |                      |                                    |                                    |                         |
| Domestic .....       | 659                  | 590                 | 603                  | 31,363                             | 32,533                             | 33,384                  |
| Imports .....        | 3                    | 3                   | 6                    | 26                                 | 13                                 | 147                     |
| Pears .....          | 64                   | 92                  | 104                  | 19,305                             | 23,572                             | 24,439                  |
| Peppers:             |                      |                     |                      |                                    |                                    |                         |
| Domestic .....       | 28                   | 13                  | 7                    | 71                                 | 17                                 | 2,293                   |
| Imports .....        | 12                   | 11                  | 11                   | 31                                 | 14                                 | 566                     |
| Spinach .....        | 484                  | 314                 | 336                  | 1,331                              | 1,203                              | 10,211                  |
| String beans .....   | 336                  | 144                 | 48                   | 800                                | 294                                | 8,333                   |
| Tomatoes:            |                      |                     |                      |                                    |                                    |                         |
| 1930 season .....    | 11                   | 3                   | 113                  | 17                                 | 302                                | 31,736                  |
| 1929 season .....    | 32                   | 79                  | 18                   | 31,738                             | 30,876                             | 30,896                  |
| Imports .....        | 139                  | 69                  | 277                  | 272                                | 350                                | 6,263                   |

## Canned Mushrooms May Now Include Liquid in Net Weight

The net weight of a can of mushrooms may now include the weight of the liquid, according to the Food, Drug and Insecticide Administration, U. S. Department of Agriculture, which announced a change in the regulations effective December 16. Formerly the net weight included the drained mushrooms only. The Department's announcement states:

"Because the liquid packing medium in canned mushrooms has a certain food value and is ordinarily utilized as food no objection will be made to marking the net weight of this product in terms of total weight, liquid included. When such markings are made declarations of drained or cut-out weight will not be required, but in every instance cans should be well filled with mushrooms and the drained weights should equal or exceed those specified in Item 270, pages 90 and 91, Service and Regulatory Announcements, Chemistry 22. These are as follows:

| Tins         | Height<br>Inches | Diameter<br>Inches | Drained mushrooms |        |
|--------------|------------------|--------------------|-------------------|--------|
|              |                  |                    | Pounds            | Ounces |
| 1 kilo ..... | 4½               | 4                  | 1                 | ..     |
| ½ kilo ..... | 4½               | 3¾                 | ..                | 8      |
| ¼ kilo ..... | 3½               | 2½                 | ..                | 4      |
| ⅓ kilo ..... | 2 5/16           | 2¼                 | ..                | 3      |



### Business Conditions

The volume of money turnover during the week ended December 14, as measured by check payments, was lower than in either the previous week or the corresponding period of last year, according to the weekly statement of the Department of Commerce.

The movement of goods into consumption, as reflected by the volume of freight-car loadings for the latest reported week, was lower than a year ago.

The general level of wholesale prices showed practically no change from the previous week but was lower than a year ago.

Bank loans and discounts were lower than in the previous week but higher than a year ago. Interest rates on call funds showed no change from the previous week but were substantially lower than a year ago. Time-money rates averaged higher than in the preceding week but were lower than last year.

Business failures were more numerous than in either the previous week or the same period of last year.

|                                | Total   | Miscellaneous | Merchandise<br>L. C. L. | Other   |
|--------------------------------|---------|---------------|-------------------------|---------|
| Week ended December 7 .....    | 956,825 | 316,194       | 247,389                 | 393,242 |
| Preceding week .....           | 837,107 | 302,671       | 219,949                 | 322,829 |
| Corresponding week, 1928 ..... | 984,773 | 353,824       | 256,444                 | 374,505 |
| Corresponding week, 1927 ..... | 877,676 | 307,882       | 246,637                 | 323,157 |

### Wholesale and Retail Prices in November

Further recession of the wholesale price level is shown for November by the U. S. Bureau of Labor Statistics. The Bureau's index number, with prices in 1926 as 100, stands at 94.4 for November compared with 96.3 for October, a decrease of nearly 2 per cent. Compared with November, 1929, a decrease of 2 1/3 per cent is shown.

The retail food index issued by the Bureau shows for November 15, 1929, a decrease of about one-half of 1 per cent since October 15, 1929, and an increase of a little more than 1 1/2 per cent since November 15, 1928. During the month from October 15, 1929, to November 15, 1929, canned foods on which monthly prices were secured decreased as follows: Evaporated milk, canned corn, and canned peas 1 per cent. Canned red salmon, baked beans, and canned tomatoes showed no change in price.

### Japanese Crab and Salmon Pack

The 1929 pack of crab meat in Japan totaled 471,412 cases, according to figures secured from the Japanese Cannery Asso-

ciation by the American trade commissioner's office at Tokyo. The total salmon pack was 1,132,813 cases. The largest individual pack was that of the Nichiro Fisheries Company, whose output was as follows: Red, 527,952 cases; Pink, 96,797 cases; Chum, 38,368 cases; Silver, 39,696 cases; total 702,813 cases.

#### **New Canadian Standards for Jam, Jelly, Marmalade, Mince and Mince Meat**

A Canadian Order in Council of November 28, 1929, establishes new standards of quality for jams, jelly, marmalade, mince and mince meat, effective January 1, 1930. The standards established by the order of May 23, 1929, are therefore cancelled. Concerns interested in the details of this order in council should apply to the Division of Foreign Tariffs, Bureau of Foreign and Domestic Commerce, Washington.

#### **Employment in November**

Employment decreased 3.1 per cent in November, 1929, as compared with October, and pay-roll totals decreased 6.8 per cent, according to the U. S. Bureau of Labor Statistics. This report is based on returns from 34,996 establishments which had in November 5,045,493 employees whose combined earnings in one week were \$133,785,694. November is customarily a month of declining employment, while pay-roll totals are further diminished by observance of Armistice Day, election day, and some church celebrations.

#### **Fruit in Cold Storage**

Cold storage holdings of fruit on December 1, as reported by the Bureau of Agricultural Economics, were:

|                                     | December 1, 1929 | December 1, 1928 | 5-year average |
|-------------------------------------|------------------|------------------|----------------|
| <b>Apples:</b>                      |                  |                  |                |
| Barrels .....                       | 2,130,000        | 2,889,000        | 3,400,000      |
| Boxes .....                         | 13,041,000       | 17,452,000       | 13,783,000     |
| Baskets .....                       | 6,670,000        | 5,037,000        | 3,094,000      |
| <b>Pears:</b>                       |                  |                  |                |
| Barrels .....                       | 13,000           | 32,000           | 38,000         |
| Boxes .....                         | 1,465,000        | 1,511,000        | 874,000        |
| Frozen and preserved fruit (pounds) | 57,927,000       | 73,195,000       | 48,833,000     |